

March 24, 1999

Clinton "Sticks Up" Seniors' Medicare for \$19 Billion

President Clinton, after more than six years in office, has demonstrated an unrivaled willingness to say and do anything. Nowhere is this more evident than with Medicare. When it comes to America's healthcare program for seniors, Clinton has a unique facility for deception.

In largely overlooked testimony before the Senate Finance Committee last week, the Congressional Budget Office (CBO) and the General Accounting Office (GAO) underscored President Clinton's amazing deceit when it comes to Medicare.

On March 18, the Senate Finance Committee held a hearing to examine President Clinton's Medicare proposal. In that proposal, President Clinton claims to transfer 15 percent of the budget surplus to Medicare. In response, Dan Crippen, Director of CBO, and David Walker, Comptroller General of GAO, made two very interesting observations.

- First in regard to Clinton's overall budget proposals, Crippen stated: *"The President's proposed savings are \$20 billion greater over ten years than proposed expansions. The President proposes to spend those savings, however, not on Medicare, but on discretionary, and other mandatory programs."*
- Second in regard to Clinton's claims to transfer 15 percent of the surplus, Walker stated: *"It provides a grant (or in the President's word, a gift) of a new set of Treasury securities for the Medicare Hospital Insurance (HI) program... It has **no effect on the current and projected cash-flow deficits** that have faced the HI program since 1992..."*

What both CBO and GAO are saying is that Clinton — despite using Medicare for a concerted and partisan demagogic attack — is himself guilty of duplicity:

- First, Clinton is taking \$19 billion in savings from Medicare to spend elsewhere.
- Second, Clinton's claim to use the surplus for Medicare is false. It is a "grant" or "gift" — of IOUs! It's nothing more than the same old IOUs Medicare has been receiving — and because it is not real money, "it has no effect on the current and projected cash-flow deficits." [See RPC's "The Big Lie Part II: Clinton's Medicare Proposal," 3/15/99.]

Taking \$19 billion and returning IOUs — that is the real Clinton Medicare plan.

RPC Staff Contact: Dr. I.T. Young, 224-2946